



Virginia Lottery

# Lottery Update

Senate Finance & Appropriations Committee  
Oct. 20, 2020

Kevin Hall  
Executive Director



Virginia Lottery

# Circumstances change. Our mission doesn't.

We are proud to support Virginia's K-12 public schools.

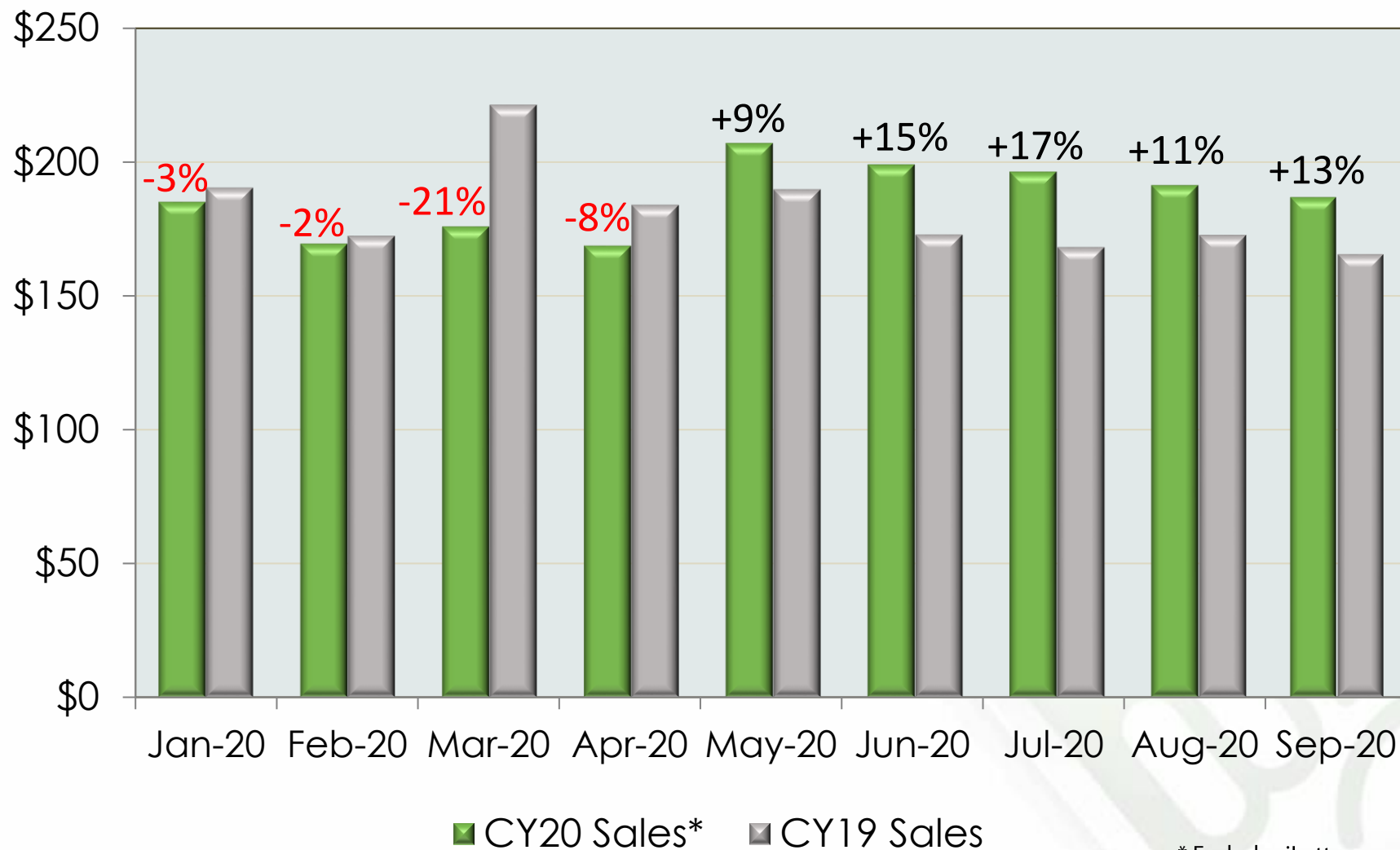


Virginia Lottery





# Lottery Sales CY20 vs CY19



\* Excludes iLottery



Martha S. Mavredes, CPA  
Auditor of Public Accounts

## Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

August 12, 2020

Mr. David A. Von Moll, Comptroller  
Department of Accounts  
101 North 14<sup>th</sup> Street  
Richmond, Virginia 23219

Dear Mr. Von Moll:

We have completed fieldwork related to the profits of the Virginia Lottery for the year ended June 30, 2020, and we expect to issue our report at a later date.

The Virginia Lottery made transfers to the Lottery Proceeds Fund of \$586,581,352 related to 2020 activity. The audited financial statements for fiscal year 2020 will reflect a net income amount of \$595,362,718, which is subject to transfer to the Lottery Proceeds Fund in accordance with § 58.1-4022(C) of the Code of Virginia. Therefore, \$8,781,366 is due to the Lottery Proceeds Fund from the Virginia Lottery Fund as of June 30, 2020.

These amounts agree with the unaudited figures provided to the Department of Accounts by the Virginia Lottery. If you have any questions concerning the amounts reported in this letter, please do not hesitate to call.

Sincerely,

Martha S. Mavredes  
Auditor of Public Accounts

MSM:cj

cc: Kevin Hall, Virginia Lottery  
Deborah Courtney, Virginia Lottery

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## Certified FY20 Financial Results

Sales = \$2.15 Billion

Player Prizes = \$1.3 Billion

Retailer Commissions = \$120 Million

Unclaimed Prizes to Literary Fund = \$14 Million

State Income Tax withheld = \$4 Million

Debt Set-off Program = \$2 Million

## FY20 Profits for K-12 = \$595 Million



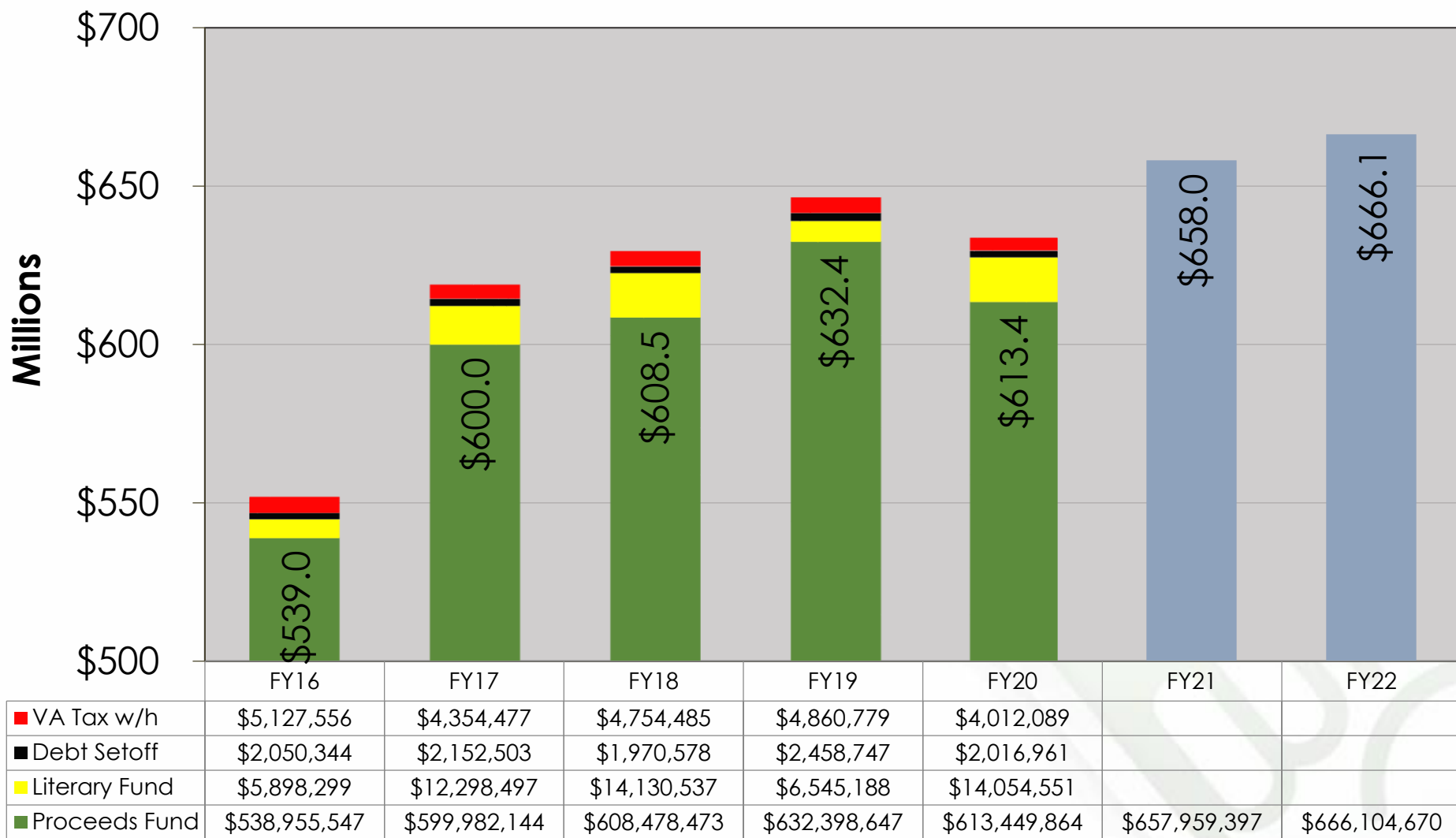
## Where Does the Money Go?





# Lottery Transfers

Cash transfers to Lottery Proceeds Fund and other State Funds





# Shrinking the Gap

## iLottery

- Live on July 1st: 13 weeks from Governor's signature to product launch
- Accelerated launch will provide additional months of revenue



## Soft-launched keno game

- Supports traditional VaLottery retail businesses
- Further support for restaurant and entertainment venues post-pandemic



## Expansion and Efficiencies

- Expansion of self-serve vending at 100 WalMart and 250 CVS stores





Virginia Problem  
Gambling Helpline:  
1-888-532-3500



VaLottery partners with the **Virginia Council on Problem Gambling** to fund gambling helpline portal to referral services. Hotline number is printed on every lottery ticket and included in VaLottery advertising.

VaLottery one of the first U.S. lotteries to obtain certification from the **National Council on Problem Gambling**.

VaLottery launch of **iLottery** incorporates strong guardrails for responsible play:

- Digital confirmation of identity, age and location
- Monthly deposit caps – players also can set their own daily, weekly, monthly limits
  - Option to self-exclude from iLottery for 1, 3, 6 months, or forever

**Sports bettor's** 'Bill of Rights' and player protections hailed as a national model.

Assisting **Dept. of Behavioral Health** in standing-up VDBH's new problem gambling functions required by the sports betting and casino gaming statutes.





# Mobile Sports Betting

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# Casino Gaming



# Establishing Regulatory Framework

## Recruitment and Hiring

- ✓ Deputy Director for Gaming Compliance
- ✓ Deputy General Counsel for Gaming Compliance
- ✓ Director of Audit
- ✓ Director of Licensing & Investigations
  - ✓ Manager of Gaming Investigations
  - ✓ Manager of Financial Investigations
- ✓ Responsible Gaming Coordinator

## eLicensing System

- ✓ Created and launched secure online portal for license applicants
- ✓ Inter-governmental agreement with Maryland to duplicate their proprietary system to meet aggressive Virginia deadlines

## Office Space

- ✓ Working with DGS, identified workspace within the existing VaLottery HQ footprint for new expanded gaming functions



# Mobile Sports Betting

- ✓ **July 1, 2020**

Sports wagering legislation becomes law

- ✓ **July 15 and August 10, 2020**

Draft regulations released for public and stakeholder comment

- ✓ **September 15, 2020**

VaLottery Board reviewed and approved regulations

- ✓ **October 12, 2020**

Regulations took effect upon publication in *Virginia Register*

- ✓ **October 15-31, 2020**

VaLottery began accepting applications and conducting 90-day suitability reviews of operator and supplier applicants

- **Early 2021**

VaLottery to award first sports betting operator licenses



# Casino Gaming

✓ **July 2020**

VaLottery pre-certified submissions by eligible host cities of their chosen casino partner, an initial statutory requirement before proceeding to Nov. 3 referenda

✓ **October 2020**

VaLottery begins to draft emergency casino gaming regulations

❑ **November 3, 2020**

Casino referenda scheduled in Bristol, Danville, Norfolk and Portsmouth

❑ **February 2021**

VaLottery Board to review and vote on emergency casino gaming regulations, to be followed by Executive Branch review

❑ **April 2021**

Statutory deadline for VaLottery Board to complete work on emergency casino gaming regulations

❑ **Spring/Summer 2021**

Submission of license applications; VaLottery has 12 months to conduct suitability investigations prior to issuance of casino operator licenses